



The SEACEN Centre



Welcome Remarks by the Executive Director of The SEACEN Centre, Dr Cynyoung Park at the SEACEN Policy Summit, 5 February 2026

The SEACEN Policy Summit 2026 was held on 5 - 6 February 2026 at Sasana Kijang, Bank Negara Malaysia, and was co-hosted by Bank Negara Malaysia (BNM)

Distinguished Speakers, Esteemed Colleagues, Ladies and Gentlemen,

Good morning.

I am delighted to welcome you all to the SEACEN Policy Summit 2026, where we examine the future of the international monetary system and Asia's role within it. Given the current uncertainty surrounding the global trade and economy, this Summit is both timely and pertinent. In recent decades, globalization spurred cross-border trade and investment that fuelled Asia's rapid growth, but its momentum has slowed. At the same time, as Asia's influence expands and reshapes the global economy, the region must take a more active and responsible role in supporting a stable and balanced international monetary system—one that is crucial for both regional and global prosperity and stability.

An effective international monetary system (IMS) should build confidence, provide ample liquidity to support the working of global financial markets and systems, and help correct imbalances where needed. In this context, I would like to touch upon four interconnected topics.

First, the current IMS is predominantly anchored by the US dollar, owing to the strength of the US economy, the exceptional liquidity and depth of US financial markets, and the perception of US Treasuries as safe assets. For decades, the widespread use of the dollar has facilitated international trade and finance by

lowering transaction costs and mitigating exchange risks, thereby enhancing economic and financial stability. Although the dollar's usage exceeds what might be expected given the relative size of the US economy, this prominent role reflects persistent network effects and inertia that benefit the incumbent currency. In parallel, the dollar's centrality places considerable emphasis on the United States' ability to uphold sound macroeconomic policies, maintain a robust regulatory environment, and ensure financial system stability. However, heavy reliance on a single country's policy capacity introduces elements of instability and uncertainty, particularly as recent geopolitical and economic developments may weaken these established network effects.

Second, the current IMS lacks a comprehensive, globally agreed-upon framework to facilitate the adjustment of global imbalances. Instead, it relies on individual national policies, which are often uncoordinated among major debtor and creditor countries and other key stakeholders in financial stability. This lack of coordination contributes to significant—and at times unsustainable—imbalances that heighten the risk of financial crises. Some Asian economies have made progress by allowing greater exchange rate flexibility. Yet, attempting to correct global imbalances solely through currency realignments and national policies, without addressing underlying structural issues, is risky. If not managed properly, a sudden depreciation of the US dollar coupled with rising US interest rates could trigger major disruptions in global financial markets, with serious negative effects on both global and regional economies. Several measures are crucial for an orderly resolution of global imbalances: first, fiscal discipline must be restored in the US; second, growing middle powers in Asia must coordinate and brace deep structural reforms to shift their growth engines from manufacturing and investment toward services and consumption; and third, more flexible exchange rates must be accompanied by structural reforms that strengthen domestic demand.

Third, Asian economies need to accelerate both financial development and regional integration. Asia has benefited greatly from the expansion of global financial systems, with the US dollar serving as a reliable source of liquidity and safe assets. However, Asia's stronger ties to global finance—relative to its ties within the region—have been a mixed blessing. While these global connections have lowered borrowing costs and supported economic expansion through smoother capital flows, they have also increased Asia's exposure to external shocks. With Asia's increasing trade and economic interdependence, it is essential for the region to pursue enhanced financial cooperation to effectively support and advance regional economic integration. Such efforts should align the region's financial responsibilities with its global economic significance, thereby contributing to the resilience and stability of both the global economic and financial systems. The time is ripe for Asia to take on this role. Intraregional trade remains robust, and a regional financial system that supports these trade flows and economic interdependencies can achieve the scale and stability needed to help rebalance the global economy.

Fourth, Asia must enhance regional cooperation to deepen financial integration by advancing both green and digital initiatives. Historically, financial cooperation in Asia has centred on three areas designed to safeguard regional monetary and financial stability from global shocks: (a) strengthening regional macroeconomic and financial surveillance; (b) establishing mechanisms for liquidity support and crisis management; and (c) developing local currency bond markets. Going forward, the next phase of regional financial cooperation should prioritize digital transformation, modernization of financial governance for digital era, and the reduction of fragmentation across financial markets and systems. The region has already made significant progress in green and digital finance compared to global peers, creating new opportunities for substantial investment and growth. Regional financial cooperation—supported by strong governance frameworks and interoperable infrastructure—can accelerate both green and digital transitions and position Asia at the forefront of financial innovation.

Over the next day and a half, this Summit will provide an opportunity for policymakers, academics, and experts to discuss the present and future of the international monetary system. Our aim is to explore how we can work together to harness technological advances, unlock potential of digital and green finance, and promote financial stability through innovation, regulation, and regional cooperation. We hope these discussions will generate valuable insights for furthering regional efforts to enhance inclusive growth and financial resilience. Speakers and participants are encouraged to share perspectives and ask questions.

Thank you for attending, and I hope you enjoy the Summit and your time in Kuala Lumpur.

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About The SEACEN Centre —

The South East Asian Central Banks (SEACEN) Research and Training Centre was established in 1982 to serve the capacity building needs of central banks in the South East Asian region. Starting with 8 initial members, the Centre now boasts members from 19 jurisdictions among its full members, as well as 9 Associate and 7 Observer members in the Asia-Pacific region. The SEACEN Centre has established its unique regional position in serving its membership of central banks in the Asia-Pacific region through its learning programmes, research work, and networking and collaborative platforms for central banking capacity building in line with its Vision to become the Regional Learning Hub for Central Banks in the Asia-Pacific region.

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